



September 5, 2008

Company Research

# New Value AG

## Key Highlights:

- Access to portfolio of private growth companies
- Significant discount on NAV
- Outstanding development of 3S Industries
- High exposure to renewable energy
- Relatively high transparency

New Value AG  
ISIN: CH0010819867

**Date of report:**  
September 5, 2008

### Stock Profile

Core business:  
Private equity investments

Exchanges: SWX and Xetra

Date of listing:  
May 16, 2006 (on SWX)

Stock price: CHF 20.50

**52 week high and low:**  
CHF 22.25 - CHF 18.75

Fiscal Yr End: March 31

Local Currency: CHF

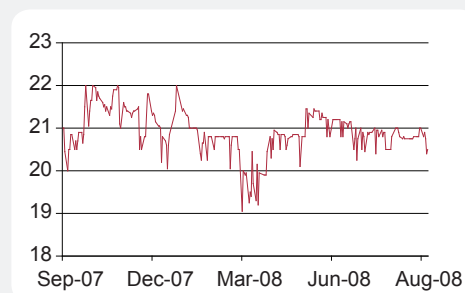
Ticker  
Bloomberg: NEWN SW  
Reuters: NEWN.S

Shares Outstanding: 2,965,818

Market Cap: 60.80 mCHF

Free Float: 91%

### Stock performance over 1 year



### COMPANY PROFILE ([www.newvalue.ch](http://www.newvalue.ch))

New Value AG (hereinafter referred to as "New Value" or "Company") is a private equity (PE) company which invests in the Swiss, German and Austrian markets. New Value pursues an investment approach focused on companies which feature high corporate governance standards, social responsibility, ecological sustainability and an ethical business model. At the end of FY 2007, the investment volume of the Company's portfolio stood at 67.3 mCHF which is expected to increase to more than 150 mCHF by 2010.

New Value is a Zurich-based investment company which was founded in May 2000 and got listed on the Berne Stock Exchange 3 months later and on the SWX on May 2006.

### INVESTMENT STRATEGY

New Value invests directly in private, rising companies with above average market and growth potential located in Switzerland and other German speaking areas. As an investment firm New Value promotes innovative business models using venture capital and guides them to market success.

New Value aims at establishing a diversified portfolio comprising promising companies operating both in high tech as well as traditional sectors. Maximum exposure to one sector is restricted to 50% of invested capital and not more than 20% is to be invested in an individual position. In order to further diversify risks, investments are spread across different development stages ranging from early-stage to growth financing. Furthermore, the Company may invest up to 50% of its funds into listed companies.

Unlike most of its competitors, New Value does not leverage its investments using debt but only invests its own funds. The Company usually acquires significant minority positions and actively takes part in decision making of its holding companies. New Value follows a medium to long term investment approach with a targeted holding period of approximately 5 years.

As New Value's investment adviser EPS Value Plus AG (EPS), an integrated private equity specialist, is in charge of investment and risk management processes. The associate investment advice fee amounts to 0.5% of audited NAV per quarter. In addition, EPS receives a performance related fee of 10% and 20%, respectively, of share price increase in case the share price has risen by more than 10% and 15%, above the watermark.

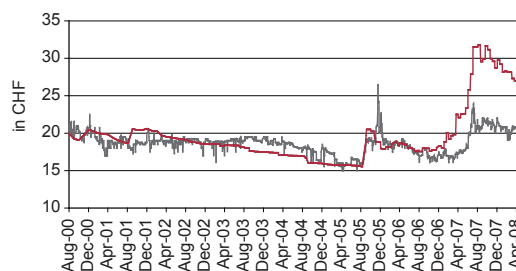


### KEY HIGHLIGHTS

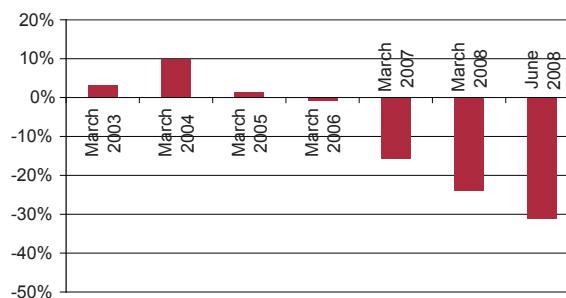
- **Significant discount on NAV**

While share price and NAV were moving largely in line until end of FY 2005, New Value's share price has been trading in a positive trend at a steadily increasing discount on its NAV per share. As of June 30 2008, the discount stood at almost 10 CHF corresponding to more than 31% of the share price. The low share price compared to the positive development of the NAV gives the investor a certain downside protection with a upside potential.

### Development of share price and NAV



### Premium (+) / Discount (-) on NAV



#### ■ Outstanding development of 3S Industries

In FY 2007, New Value achieved a remarkable increase of its NAV per share of 37.4%. This was mainly due to the outstanding performance of its core holding 3S Industries which more than tripled its value in 2007. However, this led to a high dependency on one holding since it now accounts for more than 45% of total NAV. Even though 3S Industries seems to be well positioned for further growth, any positive or negative development in the price of 3S will have a major effect on New Value.

#### ■ High exposure to renewable energy

Although aiming at portfolio diversification across different sectors, more than 50% of New Value's current NAV is held in solar energy companies. Besides the core holding in 3S, investment in Solar Industries AG which accounts for 5% of NAV is notable. Especially since the latter had to be restructured in FY 2007, thereby changing its business focus from operating one solar module manufacturing facilities to integrating and building up different solar energy companies vertically integrated in the value chain of module production. The first focus is in Italy, one of the emerging markets in Europe.

#### ■ Relatively high transparency

New Value informs regularly about the latest developments and business prospects of its portfolio companies. Furthermore, the company regularly publishes the NAV of its portfolio. Therefore, potential and actual investors get an idea of where there money is invested. This compares favourably with most of its competitors which usually provide less information regarding their investments.

## OUTLOOK AND PROJECTIONS

New Value plans to increase the value of its portfolio from 67.3 mCHF at present to 150 mCHF by 2010 on the basis of

- Expected appreciation of holding companies
- Investment of approx 15 mCHF currently held as liquid assets
- Capital increase in the range of 50 mCHF planned in 2009.

New Value seems to be well positioned to achieve its targeted portfolio value by 2010. However, the Company might not be able to repeat its performance of FY 2007 where two of its portfolio companies, 3S and MBT, were among the top 3 performers of SWX. Furthermore, the planned capital increase might be difficult to carry out given the current financial environment.

New Value's current portfolio includes companies which have shown strong performance over the last few years and might offer further potential for appreciation. However, the Company now has to show its ability to succeed in a less favourable economic environment. The current economic downturn triggered by the US sub-prime crisis might also affect New Value's portfolio companies. However, the economic downturn is also likely to offer new interesting investment opportunities due to decreasing company valuations.

In FY 2008, the Company plans to invest in another 3-4 companies. The first of these investments was Qualilife S.A. where New Value acquired a 18.2% stake in June 2008. In order to reduce its high exposure to the solar energy sector, further investments in the course of 2008 are expected to be made in other sectors.

### SCOT ANALYSIS

<b>STRENGTHS</b> <ul style="list-style-type: none"> <li>Use of own funds and no impact of leverage</li> <li>Risk diversification through investments across different development stages</li> <li>Relatively high transparency</li> <li>Good 2007 performance compared to stock market and competition</li> </ul>	<b>CHALLENGES</b> <ul style="list-style-type: none"> <li>Decreasing current discount on NAV</li> <li>Improving portfolio diversification</li> <li>Continuing strict investment procedure despite significant expansion of the portfolio</li> </ul>
<b>OPPORTUNITIES</b> <ul style="list-style-type: none"> <li>Expansion in the German and Austrian markets</li> <li>Attractive investment opportunities due to the current economic crisis</li> <li>Capitalize on current trend in sustainable and ethical investments</li> <li>Low share price compared to higher NAV</li> </ul>	<b>THREATS</b> <ul style="list-style-type: none"> <li>Overall economic slowdown which affects portfolio companies</li> <li>Dependency on 3S</li> <li>High exposure to solar energy</li> </ul>

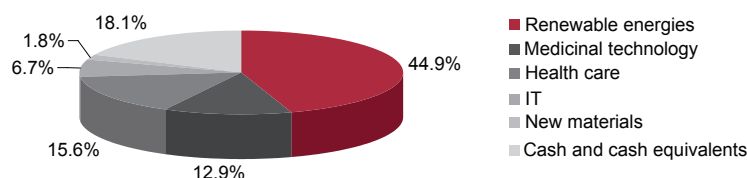
## PERFORMANCE

In FY 2007, NAV per share increased by 37.4% from 19.92 CHF to 27.37 CHF. This was mainly due to the impressive performance of 3S Swiss Solar Systems (3S) and Meyer Burger Technology (MBT) whose share prices increased by 275% and 627%, respectively, in 2007. Thereby, portfolio size which at the beginning of the period stood at 49.98 mCHF increased by 23.63 mCHF and 3.25 mCHF, respectively. In the course of the year New Value sold most of its holding in MBT and a portion of its holding in 3S. An even better portfolio performance was hampered by impairments on Colorplaza and Solar Industries together amounting to 1.62 mCHF. Furthermore, 0.77 mCHF had to be completely written off due to insolvency of Solvinci Materials.

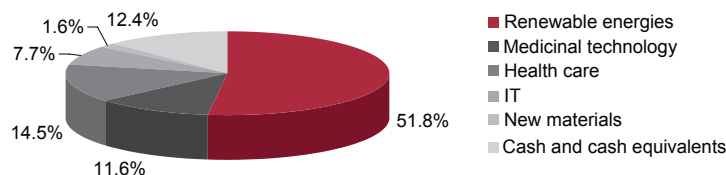
In CHF	Market value as of March 31, 2007	Purchases	Sales	Value adjustments	Market value as of March 31, 2008
3S Industries AG	17,691,410	1,928,794	-11,335,991	23,628,787	31,913,000
Idiag AG	4,936,200	2,273,616		405,504	7,615,320
Mycosym International AG	6,315,922				6,315,922
Bogar AG	4,945,680				4,945,680
Solar Industries AG	5,400,010			-899,020	4,500,990
Colorplaza SA	3,668,701			-720,643	2,948,058
Swiss Medical Solution AG	1,250,000				1,250,000
Silentsoft SA	0	2,230,000			2,230,000
Natoil AG	0	1,500,000			1,500,000
Meyer Burger Technology AG	1,640,000		-4,434,625	3,252,125	457,500
Solvinci Materials AG (in liquidation)	587,243	183,500		-770,743	0
<b>Total</b>	<b>46,435,166</b>	<b>8,115,910</b>	<b>-15,770,616</b>	<b>24,896,010</b>	<b>63,676,470</b>

Due to the strong performance, 3S accounts for more than 45% of the portfolio and more than 50% of the portfolio are invested in the renewable energies sector.

### As of 31.03.2008



### As of 30.06.2008

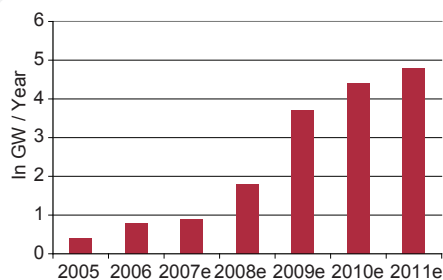


### 3S Industries AG's stock performance in 2007



Source: Bloomberg

### Globally installed solar energy capacity



Source: Solar Annual 2007

## PORTFOLIO COMPANIES

As of June 30 2008, New Values' portfolio comprised of 11 companies operating in renewable energies, medicinal technology, health care, IT and new materials sectors.

Company	Sector	Private/ Public	Portfolio weight	Share in company
3S Industries AG	Renewable energies	Public	46.3%	25.7%
Idiag AG	Medicinal technology	Private	8.3%	45.5%
Mycosym International AG	Health care	Private	7.2%	49.1%
Bogar AG	Health care	Private	7.3%	16.6%
Solar Industries AG	Renewable energies	Private	4.9%	31.3%
FotoDesk (acquired Color-plaza S.A.)	IT	Private	4.9%	45.0%
Swiss Medical Solution AG	Medicinal technology	Private	3.3%	15.2%
Silentsoft S.A.	IT	Private	2.4%	15.8%
Natoil AG	New materials	Private	1.6%	23.8%
Qualilife S.A.	IT	Private	0.8%	18.2%
Meyer Burger Technology AG	Renewable energies	Public	0.5%	0.1%
Cash and cash equivalents			12.5%	

### 3S Industries AG (3S)

3S manufactures manual and semi-automated production lines for solar modules. In cooperation with partner companies it also offers fully automated production lines. Furthermore, its product range includes solar systems which can be used as roofs, facades or shading elements. In FY 2007, revenue increased by 119% from 11.6 mCHF to 25.4 mCHF. PAT more than quadrupled from 0.7 mCHF to 3.1 mCHF corresponding to a net margin of 12.2%. In FY 2007, 3S acquired Belval S.A., one of the leading module testing manufacturers. At the beginning of FY 2008, it announced acquisition of Somont GmbH, a German manufacturer of automatic string soldering systems for solar modules. Therefore, 3S increased its revenue guideline for FY 2008 from 60 mCHF to 110 mCHF. In order to finance the acquisition price of up to 70 mCHF, 3S increased its capital base by 2:1 resulting in gross proceeds of 62.05 mCHF. New Value did not participate in the capital increase due to its current high exposure to the renewable energies sector, thus reducing its share in the company from 25.6% to 17.0%.

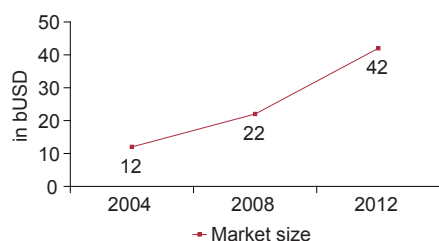
### Idiag AG (Idiag)

Idiag develops and markets products in medical therapy and sports applications in the fields of spine and respiratory. So far, it has launched two products which are used in respiratory training and spinal diagnostics, respectively. SpiroTiger is a device for targeted training of respiratory muscles. MediMouse enables computer based and rayless examination of the spine. In FY 2007, Idiag reported a revenue increase of 16% as compared to the previous year.

### Mycosym International AG (Mycosym)

Mycosym is a biological plant technology company whose products are based on mycorrhiza, a natural symbiosis between plant roots and fungi. These products vitalize plants and better protect them from environmental stress factors in order to reduce the water consumption, increase resistance and plant growth. In FY 2007, Mycosym entered the Spanish market with a product specially targeted at olive trees. Market entry was supported by a study of the University of Cordoba showing that Mycosym's product offers improved protection against a specific pest common in olive plantations and promotes faster plant growth. Revenue increased by 82% in FY 2007 as compared to the previous year. In FY 2008, Mycosym is focusing on the development of a second product line for grass which is supposed to reduce water consumption, an important feature in the targeted Spanish market.

## M2M Industry Growth



Source: ABI Research

### Bogar AG (Bogar)

Bogar develops, produces and distributes pet medicine and food supplements based on herbal ingredients. Bogar is a pioneer in veterinary phytomedicine and so far offers products for dogs, cats and horses. Its distribution channels comprise retail partners, pharmacies, chemists, veterinaries and its internet shop. In FY 2007, Bogar recorded a revenue increase of 150% over last year's figure. So far, it has entered the Swiss, German and Austrian market. With additional funds raised in FY 2007 and FY 2008, Bogar plans to finance further expansion both in existing and new markets.

### Solar Industries AG (SI)

SI, originally founded as Solar Plant Swiss AG, was planning to establish a fully integrated manufacturing facility for solar modules in the Swiss canton of Glarus. However, time to realise the project turned out to be much higher than expected and the plan was abandoned. The company was renamed and reorganized as a European solar industrial company aiming at integrating different companies along the value chain of the solar module production. In FY 2007, SI entered a strategic cooperation with the Italian solar module manufacturer MX Group thereby entering into the growing Italian solar market.

### FotoDesk Group AG (FotoDesk)

FotoDesk is operating an online imaging service combining editing, printing, sharing and storage. In the beginning of FY 2008, FotoDesk Group based in Zug acquired Colorplaza. Colorplaza is operating in the field of digital imaging and multimedia internet application development. Its products are offered across Europe in cooperation with leading companies such as Sony Ericsson and Microsoft. In FY 2007, Colorplaza's revenue increased by only 2%. FotoDesk also acquired flauntR, a comprehensive online provider of image processing, archiving and sharing services.

### Swiss Medical Solution AG (SMS)

SMS develops, produces and distributes new technologies in the field of preventive medicine. It has developed a platform for in vitro diagnostics suited for home application. So far, SMS has already launched a test called U-Lab for early diagnosis of urinary tract infections. As compared to other products in the market, SMS' test is easy to handle, quick and reliable. U-Lab was launched in FY 2007 in Switzerland as a test market resulting in a revenue increase of 138% as compared to the previous year. In FY 2008, U-Lab will be marketed across Europe. Within the next years SMS plans to develop new tests for home application based on the already existing platform. Currently there are already three products in an advanced stage of development.

### Silentsoft S.A. (Silentsoft)

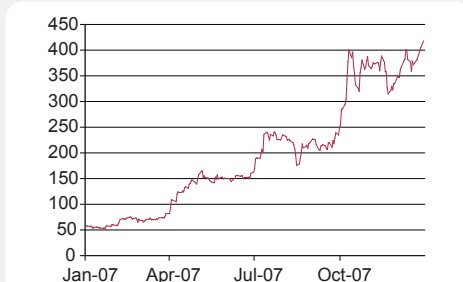
Silentsoft offers its customers a large range of technologies and processes for the operation of machine to machine (M2M) communication networks. Thereby, it specializes on telemetry for bulk ware in tanks or silos as well as on energy management for building information systems. In FY 2007, revenue was 5.6 mCHF corresponding to an increase of 58% as compared to previous year. Silentsoft had 800 clients in 10 countries with a total of 26,000 tanks. Its clients include amongst others Swisscom, Die Post, Swiss Property, Total, Serimo and Swatch Group.

### Natoil AG (Natoil)

Natoil is a producer of industrial lubricants which are largely based on renewable resources, mainly the high oleic sunflower. Natoil's lubricants feature less friction losses than comparable products based on mineral oils thereby reducing energy consumption and wear. In light of the recent drastic increase in oil prices and the public debate about reduction of carbon dioxide emissions, Natoil's lubricants offer new alternatives to cope with these developments. Its customers amongst others include Jumbo, Alcan, Arburg and Meyer Werft. In September 2007, Natoil received authorization for one of its lubricants from Arburg, one of the world's leading manufacturers of injection moulding machines for plastics. Natoil is currently entering the Swiss as well as

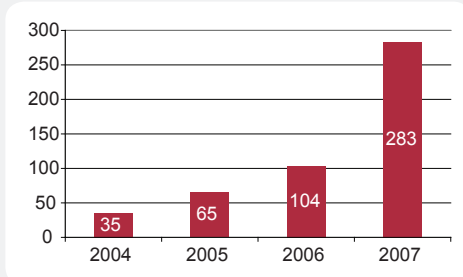


### Meyer Burger Technology AG's stock performance in 2007



Source: Bloomberg

### No. of machines produced by MBT



Source: MBT

the German markets and generated revenue of 1.5 mCHF in FY 2007. In FY 2008, authorization from other machine manufacturers is expected. This might significantly increase the demand for Natoil's lubricants.

### Qualilife S.A. (Qualilife)

Qualilife develops and distributes IT solutions which enable elder or handicapped people to access numerous technologies such as telephony, internet, fax, DVD, business solutions or computer. Qualilife's products are based on MS Windows and are very easy to handle. It has partnerships with global IT leaders. In Switzerland, Qualilife products are fully covered by health insurance funds if prescribed by a doctor. In Canada, health insurance funds cover 75% of costs.

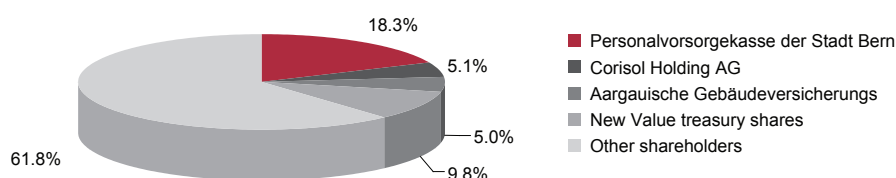
### Meyer Burger Technology AG (MBT)

MBT is a supplier of sawing and slicing systems for materials such as silicon, sapphire and other crystals. In addition to its headquarter in Switzerland, MBT has subsidiaries in Japan and China and operates service centres in Germany and the Philippines. Furthermore, it cooperates with external sales and service partners in the US and Taiwan. In FY 2007, MBT acquired majority stakes in Hennecke GmbH and amb Bernhard Brain Apparate + Maschinenbau GmbH, thereby continuing its strategy to expand in the solar industry value chain. MBT increased its net sales by 151.7% from 82.6 mCHF in FY 2006 to 208.0 mCHF in FY 2007. In the same period, net profit jumped by 242.1% from 5.6 mCHF to 19.2 mCHF, corresponding to a net margin of 9.2%. MBT has announced a revenue guidance of 400 mCHF and further improvements of profitability for FY 2008.

## SHAREHOLDING STRUCTURE

As of June 30 2008, the shares outstanding amounted to 3,287,233 with a par value of 10 CHF. New Value held 321,512 (9.8% of issued shares) treasury shares. According to SWX, free float was approximately 91%.

### Shareholding structure



## BOARD OF DIRECTORS

### Rolf Wägli (Chairman and Founder, Executive)

Mr. Rolf Wägli is a graduate banker with an experience of 20 years in international investment and private banking at banks such as Credit Suisse, Bank Cantrade, Rothschild, Interallianz-Bank, Grindlays and Bankinstitut Zürich. In addition to his mandate at New Value, he is chairman of R. Wägli & Cie AG asset management company and member of the supervisory boards of other international companies.

### Paul Santner (Deputy Chairman, Non-Executive)

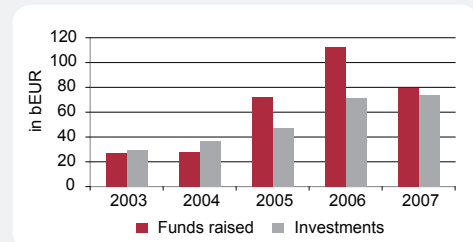
Mr. Paul Santner was working for 23 years at Digital Equipment Corporation, the world's former second largest computer manufacturer, amongst others as Vice President Europe. Since 1999 he has been working as a professional member of supervisory boards of companies from diverse sectors.

### Gerhart Isler (Member, Non-Executive)

Mr. Gerhard Isler holds a lic. oec. publ. of the University of Zurich. After his studies he was working as a journalist and later became director at Finanz & Wirtschaft (F&W), a Swiss business journal. From 1988 to 2004 he was publisher and chairman of F&W.

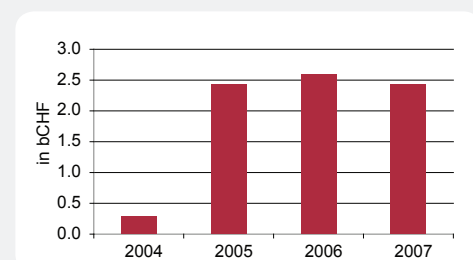


## PE market in Europe



Source: European Private Equity & Venture Capital Association

## Funds raised in Switzerland for PE investments



Source: Swiss Private Equity & Corporate Finance Association

Next to his mandate at New Value, he is amongst others member of the supervisory boards of Publigroupe S.A., Ypsomed AG and Grand Casino Baden.

### Thomas Keller (Member, Non-Executive)

Mr. Thomas Keller is a graduate electrical engineer with additional studies in business administration as well as personnel and organizational management. He joined the supervisory board of New Value in 2004. He is working mainly as a consultant and executive at different companies in high tech and executive search sectors. Since 2001, he is also owner of seed leadership counsels, a consultancy company for career planning and executive search.

### Jan Larsson (Member, Non-Executive)

Mr. Jan Larsson is a dentist who further studied economics as well as organization and administration theory. He is founder of Dentina Dentalvertriebsgesellschaft, nowadays the largest European shipment company for dental supplies. Initially as founder and owner of Switzerland's first technology centre in Tägerwilten and afterwards as founder member and president of SwissParks.ch, the association of Swiss technology parks and business incubators, he has been supporting start-up companies in the technology sector.

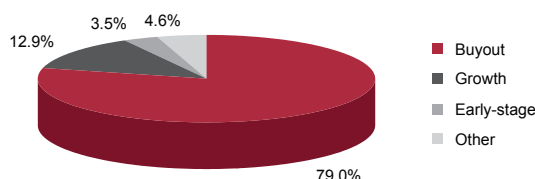
## MARKET

### Europe

Institutional investors such as banks, pension funds, insurance companies and corporate investors account for more than half of the funds raised for PE investments in Europe. Almost two third of these funds originate in Europe, with the US, Asia and the rest of the world contributing the rest. After a steady increase over the last few years, funds raised for PE investments in Europe dropped by 29.7% from 112.3 bEUR in 2006 to 79.0 bEUR in 2007. However, PE investments in Europe increased by 3.7% from 71.2 bEUR to 73.8 bEUR in the same period, despite a decrease of 21.8% in number of investments from 10,760 to 8,411.

Major part of the funds raised for PE investments in Europe was used for buyouts, while expansion and early-stage financing only accounted for 12.9% and 3.5%, respectively.

### Allocation of funds in 2007



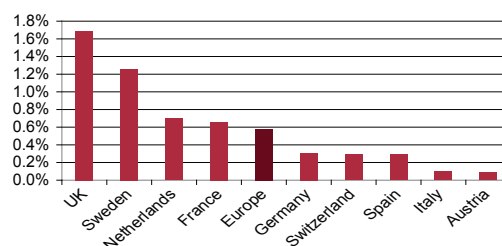
Source: European Private Equity & Venture Capital Association

In 2008, investments in PE have decreased significantly due to the credit crisis. Raising debt has become more difficult and many PE companies have postponed new investments because of overall declining company valuations. While in the short term negative returns are expected, interesting investment opportunities arise, especially for investment companies with sufficient equity capital.

### Switzerland

PE investments in Switzerland are low as compared to other European countries. While European countries on average invested 0.58% of their GDP in PE in 2007, the respective figure for Switzerland was 0.29% while that for UK, Europe's leading PE market, was 1.69% of its GDP.

### PE investments as % of GDP in 2007



Source: European Private Equity & Venture Capital Association

Overall the Swiss PE sector developed positively in 2007 as compared to other European countries. While funds raised by Swiss PE companies decreased slightly from 2.6 bCHF in 2006 to 2.5 bCHF in 2007, the funds deployed or invested increased by 8.2% from 1.4 bCHF to 1.5 bCHF. Investments in early-stage companies more than doubled from 117.2 mCHF to 277.0 mCHF in the same period with a total of 69 early-stage companies being financed. In the same period, however, growth financing decreased from 532.8 mCHF in 2006 to 442.4 mCHF in 2007.

In total, 2.1 bCHF were invested in Swiss companies out of which 1.8 bCHF were made by foreign PE companies. Major part of the investments made by Swiss PE companies was made abroad.

In 2007, exits by Swiss PE companies increased significantly from 244.4 mCHF to 595.1 mCHF. Divestments from Swiss companies reached 578.4 mCHF in 2007. (Source: Swiss Private Equity & Corporate Finance Association)

## COMPETITION

New Value competes with other Swiss PE companies such as Invision Private Equity AG, BioMedInvest AG, Capvis Equity Partners AG, Private Equity Holding AG, Vinci Capital Switzerland S.A. and Zurmort Madison Private Equity L.P. These companies are profiled below:

### BV Holding Ag (BVH)

BVH is focusing on succession and growth financing primarily in the medicinal technology, IT and communication sectors. Its investment strategy is aimed at profitable companies with a turnover between 15 mCHF and 150 mCHF located in Switzerland and bordering countries. As of June 30, 2008, the fair value of BVH's portfolio amounted to 46.9 mCHF. BVH is listed on the Berne Stock Exchange.

### Private Equity Holding AG (PEH)

PEH is a PE company listed on SWX. As compared to New Value, PEH follows a broad investment strategy diversifying across ventures funds, special situation funds, buyout funds and direct investments. As of March 31 2008, PEH's portfolio had a NAV of approximately 268 mCHF out of which only 11% were held in direct investments. Unlike New Value, PEH does invest on a global basis.

### Capvis Equity Partners AG (CEP)

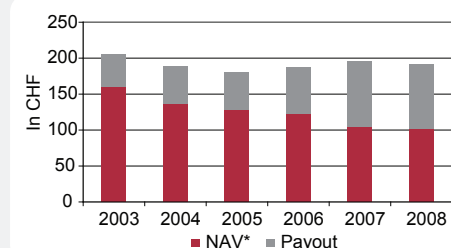
CEP invests in small and medium sized companies in Switzerland, Germany and Austria, mainly in case of succession of family owned businesses and corporate spin-offs. It was awarded Switzerland's best private equity house in 2007 by Private Equity International. Since 1990, CEP has invested in 37 companies with a total transaction volume of more than 4 bCHF.

### Invision Private Equity AG (IPE)

Since inception in 1997, IPE has raised more than 640 mCHF for investments in European companies which mainly operate in IT, telecommunication, medicinal technology, financial services and media sectors. Until now, IPE has invested in more than 60 companies and exited 9 through an IPO and 16 through trade sale. In 2008, IPE will close its fourth fund with a size of more than 275 mCHF.

CEP has multiple funds whose current size totals almost 1.5 bCHF

#### Development of VCS' NAV / Share



\*Excluding PE fund which was established in cooperation with Swisscom  
Source: VCS, own calculations

#### Biomedinvest AG (BMI)

BMI is a Swiss venture capital fund focusing on early- to mid-stage financing of companies in the healthcare sector. It currently manages one fund with a size of 100 mCHF which is invested into 16 portfolio companies. Amongst others, its portfolio companies include Arpida, a biopharmaceutical company focusing on new antibiotics drugs, which was listed on SWX in 2005.

#### Vinci Capital Switzerland S.A. (VCS)

VCS is a PE company focusing on Swiss technology and life sciences companies. Total NAV of the funds managed by VCS amounts to more than 200 mCHF. In 2006, VCS has established a 20 mCHF venture capital technology investment fund in co-operation with Swisscom. Former holdings include amongst others Actelion, a Swiss biotechnology company recently included in the Swiss Market Index.

#### Zurmont Madison Private Equity L.P. (ZMPE)

ZMPE, based on the Cayman Islands, is advised by Zurmont Madison Management AG. It focuses on succession of family owned businesses, management buy-outs and corporate spin-offs in Switzerland, Germany and Austria. Unlike New Value, ZMPE uses also debt to leverage its investments. So far, the team has invested in 16 companies with a transaction total in excess of 330 mCHF.

## DETAILED FINANCIALS

### BALANCE SHEET

Fiscal Year ended on March 31	FY 2006	FY 2007
	CHF	
ASSETS		
Current assets		
Loans	2,128,029	500,000
Other receivables	5,082,383	102,875
Accrued income and deferred costs	74,465	68,106
Cash and cash equivalents	4,715,083	14,882,671
Total current assets	11,999,960	15,553,652
Non-current assets		
Participations	46,435,166	63,676,470
Loans	1,412,279	3,078,749
Total non-current assets	47,847,445	66,755,219
Total assets	59,847,405	82,308,871
LIABILITIES & SHAREHOLDERS EQUITY		
Liabilities		
Trade liabilities	52,353	0
Short-term financial liabilities	0	720,000
Passive derivative instruments	63,596	0
Deferred costs and accrued income	263,437	406,228
Total Liabilities	379,386	1,126,228
Shareholders' equity		
Capital stock	32,872,330	32,872,330
Treasury shares	(5,154,035)	(6,406,150)
Capital reserves	24,482,670	25,139,669
Retained earnings	7,267,054	29,576,794
Total shareholders' equity	59,468,019	81,182,643
Total liabilities & shareholders' equity	59,847,405	82,308,871

## INCOME STATEMENT

Fiscal Year ended on March 31	FY 2006	FY 2007
	CHF	
<b>Income from participations and loans</b>		
Gain from sale of participations	167,941	9,838,388
Non-realized gain from participations and loans	6,748,465	17,630,680
Interest income	191,961	204,594
Other income	24,757	0
<b>Total income from participations and loans</b>	<b>7,133,124</b>	<b>27,673,662</b>
<b>Losses from participations and loans</b>		
Non-realized losses from participations and loans		(1,857,114)
Realized losses from participations and loans	(164,874)	(690,743)
Investment expenses	(46,779)	(180,000)
<b>Total losses from participation and loans</b>	<b>(1,582,256)</b>	<b>(2,727,857)</b>
<b>Operating expenses</b>		
Investment advisor fee	(1,208,497)	(1,249,576)
Third-party personnel expenses	(96,840)	(96,840)
Expenses for supervisory board	(258,395)	(245,486)
Expenses for auditing	(77,913)	(66,552)
Expenses for communication / investor relation	(299,017)	(539,817)
Consulting fees	(13,715)	(54,602)
Other administrative expenses	(182,077)	(181,697)
Capital tax	(3,554)	(251,429)
<b>Total operating expenses</b>	<b>(2,140,008)</b>	<b>(2,685,999)</b>
Financial income	147,415	227,208
Financial expenses	(102,665)	(177,274)
<b>Financial result</b>	<b>44,750</b>	<b>49,934</b>
<b>Profit before tax</b>	<b>3,455,610</b>	<b>22,309,740</b>
Income tax	0	0
<b>Net profit</b>	<b>3,455,610</b>	<b>22,309,740</b>

## CASH FLOW STATEMENT

Fiscal Year ended on March 31	FY 2006	FY 2007
	CHF	
<b>Operating cash flow</b>		
Net profit	3,455,610	22,309,740
Adjustment for interest expenses	346	6,991
Adjustment for interest income	(332,186)	(431,802)
Non-realized gains from participations and loans	(6,748,465)	(17,630,680)
Non-realized losses from participations and loans	1,370,603	1,857,114
Realized gains from sale of participations	(10,911)	(9,838,388)
Realized losses from sale of participations	164,874	690,743
Investment expenses	0	120,000
Emoluments	62,632	65,591
Changes in other receivables	(66,340)	(18,992)
Changes in accrued income and deferred costs	(16,064)	185,196
Changes in trade receivables	52,353	(52,353)
Changes in other short-term financial liabilities and passive derivative financial instruments	63,596	(63,596)
Changes in accrued costs and deferred income	51,437	137,040
<b>Net operating cash flow</b>	<b>(1,952,515)</b>	<b>(2,663,396)</b>
<b>Cash flow from investing activities</b>		
Granted loans	(2,260,000)	(1,890,000)
Purchase of participations	(10,207,596)	(5,629,899)
Sale of participations	2,329,148	15,770,616
Effective interest income	153,272	252,965
<b>Net cash flow from investing activities</b>	<b>(9,985,176)</b>	<b>8,503,682</b>
<b>Cash flow from financing activities</b>		
Cash inflow from capital increase (par value)	10,951,290	0
Cash inflow from capital increase (agio)	9,034,814	0
Costs of capital increase	(1,059,479)	0
Purchase of own shares	(8,858,470)	(15,568,162)
Sale of own shares	2,183,254	19,902,455
Effective interest paid	(346)	(6,991)
<b>Net cash flow from financing activities</b>	<b>12,251,063</b>	<b>4,327,302</b>
<b>Net change in cash and cash equivalents</b>	<b>313,372</b>	<b>10,167,588</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>4,401,711</b>	<b>4,715,083</b>
<b>Cash and cash equivalents at the end of period</b>	<b>4,715,083</b>	<b>14,882,671</b>

## RATIO ANALYSIS

Fiscal Year ended on March 31	FY 2006-07	FY 2007-08
<b>Short term solvency ratios</b>		
Current Ratio	31.63	13.81
Quick Ratio	31.63	13.81
Current Liability to Net Worth	0.01	0.01
<b>Long-term Solvency or Financial Leverage ratios</b>		
Total Debt Ratio	0.01	0.01
Equity Ratio	0.99	0.99
Debt-Equity Ratio	0.01	0.01
Fixed asset to Net Worth	0.80	0.82
<b>Profitability ratios</b>		
Return on Assets	5.77%	27.10%
Return on Equity	5.81%	27.48%
Return on Capital Employed	5.70%	27.04%
<b>Market value ratios</b>		
Market Price per share (September 5)		20.50
EPS		7.52
Price/Earnings Ratio		2.73
Book value per share		27.37
Market Value to Book Value Ratio		0.75
Market capitalization (mEUR)		60,799,269
Outstanding shares		2,965,818

Method of research: Desk research using publicly available information



## DISCLAIMER:

By accepting this report you acknowledge the following restrictions as legally binding.

This report (henceforth known as "document") may not be transmitted either directly or indirectly to USA, Canada and Japan or conveyed to a citizen of USA or any person residing in any one of the afore-mentioned countries and it may not be brought into or distributed in their territories.

This document has been drafted by the authors concerned as a non-binding opinion on the market situation and on the instruments of investment in question and compiled by the Dynamics Group AG in order to provide background information about the companies. It is intended exclusively for the purpose of information.

The Dynamics Group AG has not individually verified the information and data on which this document is based. All information and data in this document originate from generally available sources which the author concerned or the Dynamics Group AG viewed as reliable at the time of drafting this document. However, no liability can be assumed for their correctness, accuracy, completeness and appropriateness – neither expressly nor tacitly. The contents of this document do not represent an assurance or guarantee by the author concerned or the Dynamics Group AG.

The Dynamics Group AG shall not be liable for any consequential damage to properties – on whatever legal grounds it may be. Liability of the Dynamics Group AG on account of premeditation or gross negligence shall remain unaffected by this.

The Dynamics Group AG has no permission to provide assurances or assume guarantees on behalf of the companies or a third party mentioned in this document. Neither the companies mentioned in this document nor any other individual assume liability for any loss, damage or detriment that may result from the use of this document, especially when taking decisions on investments, or from other reasons. The Dynamics Group AG cannot be held responsible for detrimental consequences that occur or may occur due to the use or its omission based on the views and inferences contained in this document. Past performance trends of value, price or rates do not provide any indications to the future trends for an investment. The Dynamics Group AG does not provide any guarantees for the suggested yield or the achievement of referred targets.

This document does neither represent an offer of purchase, holding or sale of any securities, money market instruments or of derivatives, nor does it contain the basis for a contract or a commitment of any kind. Every investment, for example, in debentures, shares and options, is partly associated with enormous risks. A decision on investment with regard to any security may not be based on this document. This document is neither an advice on investment, nor a recommendation or invitation for purchasing, holding or selling any securities, money market instruments or derivatives.

The authors concerned, the Dynamics Group AG including its board of directors and employees may hold bull or bear positions in the described securities and/or options, futures and other derivatives that are based on these securities or other investments that refer to their performance published in this document.

This document has been provided to you for information only. It may not be reproduced or distributed to others or published in any other form partially or fully.

The distribution of this document and the information contained therein may be restricted in other jurisdictions by law and persons who may come into possession of this document must be aware of possible restrictions and adhere to the same. Failure to comply with such restrictions may constitute an infringement of the laws in USA or Canada governing the securities or of the laws of any other jurisdiction.

This study is protected by the copyright laws. It may be used only for the purpose as defined in this disclaimer. Portions of the study, if quoted, must be acknowledged by indicating the source. Any use other than this shall require prior written permission by the Dynamics Group AG. Reproduction, circulation, publication and provision of online access to the document shall be regarded as its use and the same shall require permission. Circulation of this document, especially in a foreign country, may be permitted only under the provisions of the disclaimer and the applicable regulations. Unauthorized use of the study or omission of details of the source or the acknowledgement of copyright may lead to initiation of a civil suite for damages and be liable for prosecution.

If any part or individual formulations of this disclaimer are found to be unsustainable or become unsustainable at a future date, the rest of the contents and their validity shall not be affected by it.

## Dynamics Group AG

Utoquai 39	Zeughausgasse 22	21, rue des Caroubiers
CH-8008 Zürich	CH-3011 Bern	CH-1227 Carouge/GE
Tel. +41 43 268 32 32	Tel. +41 31 312 28 41	Tel. +41 22 308 62 20
Fax +41 43 268 32 39	Fax +41 31 312 28 49	Fax +41 22 308 62 36

[contact@dynamicsgroup.ch](mailto:contact@dynamicsgroup.ch)

[www.dynamicsgroup.ch](http://www.dynamicsgroup.ch)